

RECEIVED

2006 AUG -2 AM 8:48

PUBLIC EMPLOYMENT
RELATIONS BOARD

REPORT OF ARBITRATOR

July 31, 2006

IN THE MATTER OF ARBITRATION)
)
BETWEEN)
)
PCM COMMUNITY SCHOOL DISTRICT)
)
AND)
)
PCM EDUCATION ASSOCIATION)

I. APPEARANCES

For the District:

Mr. Peter Pashler, Attorney at Law and Spokesperson

Mr. Kirk Nelson, PCM Superintendent

Ms. Karin Derry, Summer Associate

For the Association:

Mr. Stan Burke, UniServ Director and Spokesperson

Ms. Betty Fuller, ISEA School Budget Specialist

II. BACKGROUND

The undersigned was selected by mutual agreement of the parties to conduct an impasse arbitration hearing under the statutory impasse procedures of the Iowa Public Employment Relations Act, Sections 20.19 and 20.22. The parties have mutually agreed to waive the statutory time limitation for the completion of bargaining. The hearing was held Wednesday, July 19, 2006 at the District Administrative Office, Prairie City, Iowa. The hearing was formally opened at 10:12 a.m. and closed at 1:05 p.m. after both parties' presentation of evidence and oral argument. The parties agreed that this report should be completed and mailed within fifteen days of the close of the hearing (postmarked no later than Friday, August 4, 2006).

PCM Community School District (hereafter also referred to as "District" or "Employer") was organized in 1990 and has within its boundaries the communities of Prairie City and Monroe. The District has 991.5 students (September 2005 certified enrollment) and a certified staff of 85 FTE. The PCM Education Association (hereafter also referred to as "Association" or "Union") represents the certified staff.

There is one impasse item presented to the arbitrator, the FY2006-07 BA base salary increase, and the arbitrator is restricted to selecting from the parties' final offers. The current BA base salary is \$25,080. The District is proposing an increase of \$895 for a BA base salary of \$25,975 and the Association is proposing an increase of \$1,232 for a BA base salary of \$26,312.

Section 22, Paragraph 9 of the Iowa Public Employment Relations Act directs that the arbitrator shall consider, in addition to any other relevant factors, the following:

1. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.

2. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
3. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.
4. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

The undersigned arbitrator has taken into consideration the above criteria in arriving at this award.

III. ANALYSIS AND OPINION OF ARBITRATOR

The parties agree on the costing of their proposals. The District's offer would result in a total package cost increase of \$169,210, an increase of 4.012%. The Association's offer would result in a total package cost increase of \$219,447, an increase of 5.203%.

Both parties used their new athletic conference as a comparability group to support their offers.¹ However, the arbitrator notes that the information submitted is not always consistent between the parties. For example, the BA entry-level is reported as follows:

	<u>District</u>	<u>Association</u>
Baxter	\$24,275	\$24,869
Bondurant-Farrar	\$28,350	\$28,745
Colfax-Mingo	\$24,300	\$25,403
Collins-Maxwell	\$23,575	not reported
Colo-Nesco	\$25,060	\$25,060
Gilbert	\$27,325	\$27,325
Madrid	\$24,824	\$25,705
North Polk	\$22,270	\$23,000
Ogden	\$22,175	\$23,000
PCM	\$25,080	\$25,080

¹ The District includes Collins-Maxwell in the athletic conference, the Association does not. Both parties identify West Marshall as being in the athletic conference but the Association's comparability information does not include West Marshall.

Roland-Story	\$26,225	\$28,970
South Hamilton	\$25,500	\$25,500
West Marshall	\$24,488	not reported
Woodrd-Granger	\$25,488	\$23,600

These inconsistencies continue throughout the exhibits for BA plus 5 years, BA plus 10 years, BA maximum, top BA lane entry-level, top BA lane plus 5 years, top BA lane plus 10 years, top BA lane maximum, MA lane entry-level, MA lane plus 5 years, MA lane plus 10 years, MA lane maximum and the top MA lane.

The arbitrator notes that both parties' exhibits support the conclusion that the PCM salary schedule is "stronger" in comparability at the lower steps. The District reports that the average BA lane entry-level salary among athletic conference schools will be \$25,769 for 2006-07. The District argues that their proposal will result in a BA entry-level salary of \$25,975 and that there is no need for an above-average salary increase. The Association argues that PCM is the fifth largest school in the athletic conference (by September 2005 certified enrollment) and, as such, salaries should be above-average across the entire salary schedule.

Both parties introduced information regarding settlement trends. The District reports that the FY2006-07 total package cost increase among athletic conference schools will be an average of 4.93% (ranging from a low of 3.17% to a high of 6.80%). The Association reports that the FY2006-07 total package cost increase among athletic conference schools will be an average of 5.02% and that these schools have an average regular program increase of 5.87%. PCM's regular program money will increase by \$279,646, a 5.82% increase.

The Association reports that of eighteen (18) schools that are closest in size by enrollment to PCM (ten higher/ten lower) the total package average increase is 4.85%

with an average increase in regular program money of 4.25%. The District's ten higher/ten lower exhibit contains a few different districts and reports that the total package average increase is 4.96% with an average increase in regular program money of 4.62%.

The Association also argues that their offer is consistent with statewide settlement trends. The Association argues that this is especially true when taking into consideration the regular program money increase for PCM. The Association reports that of 216 reported settlements (statewide) the total package average increase is 4.83% with an average increase in regular program money of 2.92%. The Association also looked at reported settlements from schools (statewide) that have an increase in their regular program money similar to PCM's (5.82% +/- .5%). The seventeen (17) schools are reported to have an average total package increase of 5.29% with an average increase in regular program money of 5.80%. The Association also looked at reported settlements from schools that have an increase in their regular program money within one percent (1%) above/below PCM's regular program increase (4.82% to 6.82%). The forty-four (44) schools are reported to have an average total package increase of 5.26% with an average increase in regular program money of 5.71%. The Association also looked at reported settlements (statewide) with an increase to the BA base salary of \$1,200 or more. The thirteen (13) schools are reported to have an average total package increase of 5.20% with an average increase in regular program money of 5.82%.

The District's arguments regarding financial stress do not over-ride the comparability evidence in this case. The Association has presented evidence that, in light of known turnover, the District will need little if any "new" money to fund its offer. The

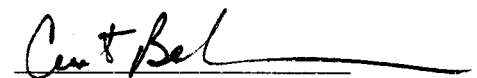
Association projects that the District will experience total salary savings of \$261,414 (including FICA/IPERS and insurance savings) due to known turnover, while the Association's final offer is projected to cost \$219,447.

IV. SUMMARY

While both parties' final offers are reasonable, the arbitrator is restricted to picking the final offer that is more reasonable. In light of the evidence submitted, the arbitrator concludes that the Association's offer is the more reasonable final offer. As such, the arbitrator awards a PCM BA base salary of \$26,312 for FY2006-07.

Dated this 31st day of July,
2006, Sycamore, Illinois.

Respectfully submitted,


Curtiss K. Behrens
Arbitrator

CERTIFICATE OF SERVICE

I certify that on the 31st day of July, 2006, I served the foregoing Report of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Mr. Stan Burke
UniServ Director
777 Third Street, Suite 116
Des Moines, Iowa 50309

Mr. Peter Pashler
Attorney at Law
100 Court Avenue, Suite 600
Des Moines, Iowa 50309

I further certify that on the 31st day of July, 2006, I submitted this Report of Arbitrator for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, Iowa 50319.